



Joan McDonald
Commissioner



State of Connecticut
Department of Economic and
Community Development

**TESTIMONY PRESENTED TO THE PLANNING & DEVELOPMENT
COMMITTEE
March 10, 2010**

*Joan McDonald, Commissioner
Department of Economic and Community Development*

HB 5383 AN ACT CONCERNING REGIONAL ECONOMIC DEVELOPMENT

Good Morning Senator Coleman, Representative Sharkey, Senator Fasano and Representative Aman. My name is Joan McDonald and I am the Commissioner of the Department of Economic and Community Development (DECD). I appreciate the opportunity to appear before you this morning to discuss the department's support for HB 5383 *An Act Concerning Regional Economic Development*. This bill represents one of many efforts to encourage regional cooperation and coordinate economic development and land use planning.

DECD has been encouraging the use of the U.S. Economic Development Administration's (USEDA) Comprehensive Economic Development Strategy (CEDS) as a means for the state's municipalities to collaborate on economic development planning and implementation and empowering regions to prioritize economic development initiatives. Presently there are seven CEDS throughout the state that represent all but two large areas — greater Danbury and Middlesex County. DECD's goal is for all communities to participate in a CEDS, also known as a regional strategy. Recently, DECD has worked successfully with USED A on increasing the funding that Connecticut receives. I am happy to report that this funding has risen from \$275,000 in 2008 to \$2.9 million in 2009.

Section 1 (a) of HB 5383 describes the entities that may form an Regional Economic Development District (EDD), after obtaining the approval of DECD, OPM and the U.S. Department of Commerce. Section 1 (b) describes the boundaries of EDDs created or approved under the bill, each of which would act to coordinate and implement a regional economic development strategy.

Section 2 (a) contains requirements related to CEDS preparation and Section 2 (b) requires review of a regional strategy by the regional planning organization serving any portion of the geographical area of the EDD its board of directors has approved the strategy. Because economic development, land use planning and transportation are so intricately linked, DECD respectfully recommends that the bill be modified to incorporate regional planning organization representation on an EDD's board of directors. This would allow consideration of land use and transportation planning as early as possible in the development of the regional strategy. We

believe that a regional planning organization's review subsequent to the approval of the plan may not allow an opportunity for full participation by all stakeholders in developing and prioritizing the region's economic development initiatives.

Section 2 (c) requires DECD and OPM to act on a CEDS within a 60-day timeframe. The inclusion of the regional planning organization early in the process of strategy development will also better ensure conformity of the end product with the State's Plan of Conservation and Development, and expedite the state's review of the strategies.

DECD concurs with the provision in Section 3 stipulating the creation of no more than eight EDDs throughout the state. While it is important that every community be covered by a region, we do not believe that Connecticut's geographic area is large enough to support more than this number of EDDs.

To allow for a more streamlined approval process, DECD recommends that both DECD and OPM are consulted prior to each district board of director's approval of its strategy and district. This early consultation will help identify issues that could delay or prohibit the state's approval of the strategy.

The provisions in Section 4 authorizing DECD to issue a grant of up to \$25,000 to a regional EDD for strategy development is unnecessary, as DECD already has the ability to do so through existing programs.

It is conceivable that the region's priority projects may not align with the state's priority economic development initiatives. As a result, Section 5 should clearly specify that the State is not bound to fund projects in the prioritization presented by the district, nor is it obligated to fund any project prioritized and presented by districts.

Thank you for your time and consideration of our comments. We would welcome the opportunity to assist the committee in any way possible if this bill should move forward.